



**Testimony of Jennifer Greuel
Economic Development Association of North Dakota
In Support of SB 2345
Sections 1, 29, 35, 38, 39
Nov. 9, 2021**

Chair Holmberg and members of the Senate Appropriations Committee:

I am Jennifer Greuel, executive director of the Economic Development Association of North Dakota (EDND). I am here in support of several proposals to use American Rescue Plan Act (ARPA) funding to strengthen and diversify North Dakota's economy.

EDND represents more than 80 state economic development organizations and related businesses on the front line of economic development efforts throughout North Dakota. The primary purpose of the organization is to promote the creation of new wealth throughout North Dakota to develop more vibrant communities and improve quality of life.

As you're aware, there are many ideas in this bill which could serve to strengthen and diversify North Dakota's economy. Today EDND would like to focus on the proposals related to natural gas infrastructure, workforce needs and diversification of the economy.

Natural Gas to Meet Community Needs

The challenge of providing natural gas to unserved or underserved communities lies in financing the gap between the existing pipelines and the community. The included \$150 million recommendation (*Section 1, Subsection 1*) for natural gas infrastructure would help address this gap and provide additional communities with service, while making use of North Dakota produced natural gas.

EDND has been involved in conversations with utility companies, legislators, and the Public Service Commission (PSC) for many years about the topic of natural gas, most recently during the 2017 Legislative Session and the following interim. The availability of natural gas and the expansion of natural gas infrastructure play a key role in the continued growth and vitality of many businesses, communities and the state. Natural gas is a resource typically required in order to attract any significant manufacturing opportunity. National site selectors have reported they won't consider a community for a manufacturing project if it does not have natural gas service. Therefore, communities with access to natural gas have an advantage over communities without it. More than 300 communities in the state do not have access to natural gas and many with service don't have enough to compete for large value-added projects.

Meeting ND's Workforce Needs

North Dakota's unemployment rate has quickly rebounded after the pandemic (3.5 percent in Sept. 2021), and workforce availability is a significant challenge facing North Dakota businesses, limiting the growth potential of the state's economy. EDND supports the development of workforce attraction, development and retention strategies that address the needs of the state's businesses and industries.

North Dakota does not have enough people, especially in highly-skilled fields, to fill its job openings, much less attract new businesses which would serve to diversify the economy and reduce the state's reliance on energy and agriculture. The \$15 million Local Workforce Development Incentive Program (*Section 38*) outlined in this bill would serve to attract non-resident workers to the state and give regions and businesses the tools and flexibility to attract the talent they need, and the \$5 million technical skills training grant program (*Section 39*) would help retrain our existing workforce.

Childcare availability and cost are major issues facing young families making up North Dakota's potential workforce pool. Childcare expenses can result in fewer workers, detracting from the state's productivity and ability to attract new talent into the state. The \$17 million in this bill to be provided to the Department of Human Services (*Section 29*) could begin to help address this need.

Diversification of the Economy

One of EDND's top legislative priorities for the past few sessions has been related to the diversification of the state's economy. North Dakota has long benefitted from energy and agriculture being the leading pillars of its economy. However, relying heavily on these industries has caused a boom and bust cycle several times over the state's history. One tool to help bring new industries to the state is the included \$5 million (*Section 35*) for the Innovation Technology Loan Program (LIFT) as part of a comprehensive statewide strategy. The more the state supports investment in other industries, the more stable our economy and tax base will become.

Thank you for the opportunity to express our support for these important proposals and for your continued commitment to keeping North Dakota globally competitive and diversifying the state's economy.